



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
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Ted Stewart
Executive Director
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M/017/001

FACSIMILE COVER SHEET

DATE: Nov. 4, 1996

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 5

TO: KRISTEE WITTRIG
NUCLEAR FUEL SERVICES
PHONE (770) 662-8405

FAX NUMBER: (770) 662-8415

FROM: TONY GALLEGOS PHONE ⁽⁸⁰¹⁾ 538-5267

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: M/017/001 TONY M/LUCKY STRIKE MINE
SURTY CANCELLATION

REMARKS: HERE IS A COPY OF THE DIVISION'S 4/15/96 LETTER
DESCRIBING THE NEW SURTY AMOUNT OF \$141,800
TO AL DEARTH - PLATEAU RESOURCES. WITH PAGES 1
AND 2 OF THE ATTACHMENTS

Should you encounter any problems with this copy, or do not receive all the pages, please call

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TRANSACTION REPORT

P. 01

NOV-04-96 MON 03:29 PM

SEND (M)

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-04	03:25 PM	17706628415	3' 46"	5	SEND	(M) OK	184	
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April 15, 1996

Al Dearth
Plateau Resources Ltd.
877 North 8th West
Riverton, Wyoming 82501

Re: Recognition of Partial Site Reclamation, Nuclear Fuel Services/Plateau Resources Ltd.,
Tony M/Lucky Strike Mine, M/017/001, Garfield County, Utah

Dear Mr. Dearth:

On February 15, 1996, the Division performed an inspection of the recent reclamation work performed at the Tony M portion of the mine site. This reclamation was performed from November 1995 through January 1996, and included demolition of several structures, regrading and reseedling of the affected areas. The reclamation was found to be acceptable to the Division and the general cleanliness of the demolition areas was exemplary. The Division greatly appreciates the willingness and cooperative attitude demonstrated by you and the onsite staff in performing reclamation at the site.

As a result of this inspection the Division has revised the reclamation estimate for the Tony M/Lucky Strike Mine to account for the reclamation which has been performed. The revised estimate is mainly a revision of the previous Division estimate with changes highlighted by shading. A new section was added to the estimate which deals only with borehole reclamation. We believe this section more accurately describes the reclamation required for the number and size of boreholes which were actually constructed. A copy of this revised reclamation estimate dated April 1, 1996, is attached for your information.

Based on this revised estimate, the amount of reclamation surety which is required by the Division for the Tony M and Lucky Strike Mine sites combined is \$141,800. The amount of reclamation surety currently posted for this operation by Nuclear Fuel Services is \$148,000. This site has not officially been transferred by the Division to a new operator. The transfer can not take place until a replacement surety has been posted and accepted by the Board of Oil, Gas and Mining. After the Board accepts the replacement surety the old surety will be released and the Division will acknowledge and sign the transfer.



Page 2
Al Dearth
M/017/001
April 15, 1996

If you wish to post a new reclamation surety for the revised amount, you will need to use the appropriate Division surety form. In addition to the surety form, we will need a completed and signed Reclamation Contract form. Please advise us of the type of reclamation surety you wish to post (letter of credit, surety bond, certificate of deposit, etc.) so that we may provide you with the appropriate Division form. We have enclosed a copy of the Reclamation Contract form and guideline for its completion with this letter. Also enclosed is a copy of our form "Transfer of Notice of Intention Large Mining Operations" for your information.

Please contact us if you have any questions regarding the completion of any of these documents. Thank you for your continued cooperation.

Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

jb
Attachments: Division Reclamation Estimate of 4-1-96 (6 pages)
Enclosures: MR-RC, Guideline for RC, MR-TRL
cc: Buzz Rakow, BLM, Henry Mountain RA
Lowell Braxton, DOGM
m17-01rl.let

RECLAMATION ESTIMATE

Nuclear Fuel Services/Plateau Resources Limited

last revision

04/01/96

Tony M & Lucky Strike Mines

filename M17-01RL.WB2

page "ESTIMATE"

M/017/001

Garfield County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation - Tony M Mine Site

- This estimate reduces the total surety amount for those items reclaimed during 1995
- The main Tony M portals will be closed with a block closure & backfill
- This estimate includes specific estimates for boreholes 2,3,4,5 which were actually created
- Reclamation of the ore stockpiles was not included in the 1989 estimate
- Demolition of a large number of structures was not included in the 1989 estimate
- Portions of the Tony M north site (borrow area) have been reclaimed & released by BLM
- Breaching the dam to be non-impounding was not included in the 1989 estimate
- Estimated total disturbed area for the Tony M Mine site = 31.9

Activity	# Item	Quantity	Units	\$/unit	\$
TONY M MINE		(per item)			
Demolish/dispose of structures on site - SEE DEMOLITION SUMMARY					51,595
Regrade ore stockpiles to 3H:1V		6.7 acres		666	4,462
Regrade waste dumps - guesstimate		5.8 acres		826	4,791
Bulkhead installation in main portals	3	96 SF/bulkhe		25	7,200
Backfill main portals 25 ft against bulk	3	200 CY		3	1,800
Borehole caps & revegetation (see separate estimate page "boreholes")					4,443
Grade 1/2 processing area for uniformity		9.5 acres		666	6,327
Rip compacted areas - 1/2 processing area		9.5 acres		406	3,857
Breach dam to be non impounding		1.0 acres		666	666
Remove trash & cleanup		31.9 acres		50	1,596
Seed disturbed areas		31.9 acres		250	7,982
Mulch disturbed areas		31.9 acres		100	3,193
Mobilization		4 equip		1,000	4,000
Subtotal					101,912
Add 5% supervision					5,096
Subtotal					107,008
Add 10% contingency					10,701
Subtotal in 1996 - \$					117,708
Add 5 yr escalation at 2.58%					15,988
Total 2001 - \$					133,697

TONY M MINE SITE

Average cost per acre =

Rounded Total in 2001 - \$

\$4,188

\$133,700

RECLAMATION ESTIMATE

Nuclear Fuel Services/Plateau Resources Limited

last revision

04/01/96

Tony M & Lucky Strike Mines

filename M17-01RL.WB2

page "ESTIMATE"

M/017/001

Garfield County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation - Lucky Strike Mine Site

- This estimate is based on the November 10, 1989 DOGM estimate
- This estimate revises the unit costs & details of final reclamation
- The main north & south portals will be backfilled instead of bulkhead+backfill
- The Lucky Strike site is on BLM lands but operations were pre-BLM regulations
- The shallow Lucky Strike mine workings & north & south waste dumps will not be reclaimed

-Estimated total disturbed area for the Lucky Strike Mine site = 1.4 acres

Activity	# items	Quantity (per item)	Units	\$/unit	\$
LUCKY STRIKE MINE					
Backfill main portals 25 ft-N & S	6	175 CY		3	3,150
Grade access roads-north & south	2	0.2 acres		666	266
Grade portal pads-north & south	2	0.5 acres		666	666
Rip compacted areas	2	0.5 acres		471	471
Remove trash & debris	2	0.7 acres		100	140
Seed disturbed areas	2	0.7 acres		250	350
Mulch disturbed areas	2	0.7 acres		100	140
Mobilization		1 equip		1,000	1,000
		Subtotal			6,183
		Add 5% supervision			309
		Subtotal			6,493
		Add 10% contingency			649
		Subtotal in 1996 - \$			7,142
		Add 5 yr escalation at 2.58%			970
		Total 2001 - \$			8,112
LUCKY STRIKE MINE SITE					Rounded Total in 2001 - \$
Average cost per acre =					\$8,100
					\$5,786

TOTAL AMOUNT OF RECLAMATION SURETY FOR M/017/001 (yr 2001-\$) \$141,800

NOTE: page order in this estimate is: estimate, basis, areas, demo, boreholes